



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

April 28, 2004

CERTIFIED RETURN RECEIPT
7002 0510 0003 8602 8901

Mike Dalley
Staker & Parson Companies
151 West Vine Street
Murray, Utah 84107

Subject: Notice of Noncompliance/Division Directive, Staker & Parson
Companies, U.S. Aggregates/Intermountain Aggregates
Corporation/Valley Asphalt, Inc., Ekins East Quarry, M/049/032, Utah
County, Utah

Dear Mr. Dalley:

On March 24, 2004, the Division sent you a certified letter responding to your February 9, 2004, letter informing us that Staker and Parsons Companies no longer wished to acquire the permit for the Ekins East Quarry. Our letter proposed three different options for Staker and Parsons to consider and requested a written reply by April 23, 2004. A written reply has not been received to date. You called Doug Jensen of my staff earlier this month requesting a site inspection. On April 22, 2004, we met onsite with you to inspect the current conditions and discuss the approved mining and reclamation plan details.

The following Notice of Noncompliance and Division Directive is issued as a result of Staker & Parson Companies mining activities and its failure to complete the permit transfer process for this mine site.

Finding of Non-Compliance

1. Approximately 2 years ago, Staker & Parson Companies acquired certain mining related assets of Valley Asphalt, Inc., following a bankruptcy filing by U.S. Aggregates Corporation. These assets apparently included the right to continue mining activities under a private mineral lease at the Ekins East Quarry. Since that time, Staker has provided verbal and written documentation in the form of annual reports and annual permit fee payments confirming that mining operations have continued at the Ekins East Quarry. Staker and Parsons has failed to properly transfer the permit and post

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replacement reclamation surety before continuing mining activities at the mine site.

Conducting mining operations without the proper mine permit and reclamation surety is a violation of the Mined Land Reclamation Act [Title 40-8-7(1), 40-8-19] and the Minerals Administrative Rules (R647-4-120).

2. Mining operations have not been conducted in accordance with the approved mine development plan. Therefore the approved reclamation plan is not applicable to the current site conditions.

Location of Non-Compliance:

Disturbances associated with the Ekins East Quarry are located in portions of the following sections:

Section 4 - SW $\frac{1}{4}$
Section 5 - NE $\frac{1}{4}$
Section 8 - E/2

Township 10 South, Range 1 East, SLBM, Utah County, Utah.

Mitigation Requirements:

1. ***Within 5 days of your receipt of this letter***, Staker & Parson Companies must contact this office to schedule an informal meeting with the Associate Director of Mining and technical staff ***to discuss a resolution to the permitting and reclamation requirements for this site***. Please contact Vickie Southwick, Executive Secretary, at (801) 538-5304, to schedule this meeting.
2. Within 60 days following the meeting date scheduled under item 1 above, Staker & Parson must develop and submit to the Division a detailed reclamation plan proposal for the mine site.
3. Until a new reclamation plan is filed with the Division and approved, Staker & Parson Companies ***is hereby directed to immediately suspend all mining operations at this site, including the removal of any mined or processed mineral materials***.

Penalties for Failure to Comply:

1. If Staker & Parson Companies fails to resolve this Notice of Non-compliance within the timeframes set forth in this letter, the Division may file a formal Notice of Agency Action. This enforcement action could require the operator to appear at an informal hearing before the Division Director, or at a formal hearing before the Board of Oil, Gas and Mining. Following public notice

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and formal hearing, the Board may issue an abatement or compliance Order that may require termination of all mining operations; immediate reclamation of the site; and/or other lawful requirements as authorized under the Act.

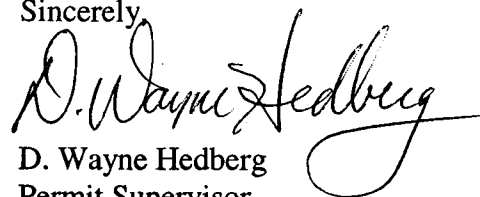
2. The Board may also ask the County prosecutor or State Attorney General to bring suit against the operator to enforce its Orders and to seek assessment of appropriate penalties, not to exceed \$10,000 for each knowing or willful violation of the Act.

Appeal Provisions:

If you wish to contest this Notice of Non-Compliance, you have the right to appeal the Division's decision on this matter by requesting an *informal administrative hearing* before the Division Director, Lowell Braxton, or by requesting a *formal hearing* before the Board of Oil, Gas and Mining. **A written appeal to this decision must be filed with this office within 10 days of your receipt of this certified letter.** The written appeal must state: 1) your intent to appeal; and, 2) the specific findings or requirements you wish to appeal. An Informal Hearing is conducted under the provisions of the Administrative Rules R647-5-102 – 106 and Sections 63-46b-4 and 63-46b-5 of the Utah Code Annotated (1953, as amended). If a hearing is not requested, then the Division's decision will become final.

If you have any questions regarding the requirements of this letter, please contact me at (801) 538-5286, or Lynn Kunzler, permit lead, at (801) 538-5310. Thank you for your immediate attention to this matter.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

DWH:jb

cc: Mary Ann Wright, Associate Director
Vickie Southwick, OGM

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